



LOUISVILLE & NASHVILLE RAILROAD COMPANY

908 W. BROADWAY • LOUISVILLE, KENTUCKY 40203

RECORDATION NO. 9164 Filed & Recorded

TELEPHONE (502) 587-5235

RECORDATION NO. 9164 Filed & Recorded

LAW DEPARTMENT

JAN 6 1978 - 10 10 AM January 5, 1978

JAN 6 1978 - 10 40 AM DAVID M. YEARWOOD
GENERAL ATTORNEY

Mr. H. G. ~~Horne~~ ^{Interstate Commerce Commission}
Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Secretary: JAN 6 1978 - 10 40 AM
Washington, D. C.

Interstate Commerce Commission
There is transmitted to you herewith for filing and recordation, pursuant to Section 20c of the Interstate Commerce Act, duly executed counterparts of a Conditional Sale Agreement, dated as of September 1, 1977 between Whitehead & Kales Company, Vendor, whose address is 58 Haltiner, River Rouge, Michigan 48218 and the Exchange National Bank of Chicago, as trustee, Vendee, whose address is 130 South LaSalle Street, Chicago, Illinois 60690.

The equipment covered by said Conditional Sale Agreement are one hundred seventy-one (171) enclosed tri-level auto racks bearing Louisville and Nashville Railroad Company's I. D. Nos. 1669-1839, inclusive.

There has been no prior recordation of any document relating to this transaction.

Attached hereto is a draft payable to the Treasurer of the United States covering the prescribed recordation fee for said Conditional Sale Agreement.

This letter of transmittal is signed by an officer of the Louisville and Nashville Railroad Company designated for the purpose hereof who has knowledge of the matters set forth herein.

After recordation, please return the recorded counterparts of said Conditional Sale Agreement to:

Mr. David M. Yearwood
General Attorney
Louisville and Nashville Railroad Company
908 West Broadway
Louisville, Kentucky 40203

Respectfully yours,
Louisville and Nashville Railroad Company
By David M. Yearwood
David M. Yearwood
General Attorney

Attachment

RECORDATION NO. 9164 Filed & Recorded

Interstate Commerce Commission

RECEIVED

CERTIFICATION UNIT

JAN 6 1978

David M. Yearwood
Counterpart

9164-0

RECORDATION NO. Filed & Recorded

JAN 6 1978 -10 40 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of September 1, 1977 (hereinafter called this Assignment), by and between EXCHANGE NATIONAL BANK OF CHICAGO acting not in its individual capacity but solely as Trustee (hereinafter called the Lessor or the Vendee) under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with Ford Motor Credit Company, as beneficial owner (hereinafter called the Beneficiary), and AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, acting not in its individual capacity but solely as Agent (hereinafter called the Vendor) under a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) with the Lessor, the Beneficiary, the Lessee as hereinafter defined, and the Parties named in Schedule A thereto (hereinafter called the Investors).

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Documentation), with Whitehead & Kales Company (hereinafter called the Builder) providing for the sale to the Vendee of such units of railroad equipment (hereinafter called the Units) described in the Annexes thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Louisville and Nashville Railroad Company (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the Security Documentation and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Documentation), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter

mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the Security Documentation, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Notwithstanding the foregoing, the Payments shall not be deemed to include either before or after an Event of Default shall have occurred and be continuing under the Lease (y) payments by the Lessee to the Lessor pursuant to §§ 6 and 9 of the Lease (except indemnification payments owing to the Vendor pursuant to Articles 6 and 13 of the Security Documentation and except to the extent that the Vendee is obligated to reimburse the Vendor for expenses under Paragraph 6 of this Agreement) and (z) payments made by the Lessee to the Vendee or the Beneficiary pursuant to Paragraph 12 or the last paragraph of Paragraph 9 of the Participation Agreement.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease, subject to the provisions of the Lessee's Consent and Agreement attached hereto (hereinafter called the Consent) permitting certain payments to be made directly to the Vendee. To the extent received, the Vendor will promptly apply such Payments to satisfy the obligations of the Lessor under the Security Documentation then due and payable, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the Security Documenta-

tion could constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor (or to such other party as may be specified by the Lessor), by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. If the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease payable to it as provided in the Consent when due, the Vendor shall notify the Lessor at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Documentation. The Lessor will furnish to the Vendor and the Lessee a schedule, with such changes as may be appropriate from time to time, setting forth the amounts due the Vendor under the Security Documentation and the Lessor under the Lease on each date for the payment thereof.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor

the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Vendor may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Lessor's obligations under the Security Documentation, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor. However, the Vendor, if so requested by the Lessor at that time and at the sole expense of the Lessor, will (a) execute an instrument releasing its entire estate, right, title and interest in the Lease and transferring such estate, right, title and interest to the Lessor and (b) execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Lessor in order to confirm or further assure the interest in the Lease which shall have reverted or been so transferred to the Lessor.

6. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than created by the Security Documentation) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the Security Documentation or the Lease (but including property tax liens, sales and use tax liens and any other tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute,

acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the security interest of the Vendor hereunder.

8. Subject to the provisions of Article 14 of the Security Documentation, the Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due, but the Lessee shall be under no obligation to any subsequent or successive assignee except upon written notice of such assignment from the Vendor. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the State of Illinois.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Documentation or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, unless an Event of Default under the Security Documentation (as defined therein) has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to apply the Payments as provided in Paragraph 1 hereof.

12. It is understood and agreed that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by Exchange National Bank of Chicago, acting in its capacity as Trustee, or for the purpose or with the intention of binding said bank or the Beneficiary personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Assignment is executed and delivered by the said bank

solely in the exercise of the powers expressly conferred upon the said bank as trustee under said Trust Agreement, and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Beneficiary or on account of any representation, undertaking or agreement of the said bank as Lessor, either expressed or implied, all such personal liability, if any being expressly waived and released by the Builder, the bank acting in its capacity as the Vendor and by all persons claiming by, through or under the Vendor, provided, however, that the Vendor or any person claiming by through or under the Vendor, making claim hereunder, may look to said Trust Estate for satisfaction of the same. The Lessor agrees that it will not enter into any amendment or modification of the Trust Agreement except as provided in Article VII, VIII and IX thereof.

13. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), the terms of this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the Security Documentation, so long as there is no event of default under the Security Documentation. In addition, the Lessor agrees that, without the prior written consent of the Vendor (which shall not be given without the approval of the Investors as provided in Paragraph 10 of the Participation Agreement), the Lessor may not take any action to terminate the Lease, the right to do so being reserved by the Vendor.

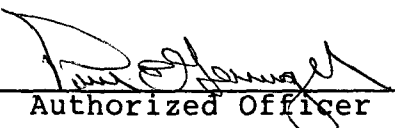
14. This Assignment may be executed in any number of counterparts, such counterparts together constituting but one and the same contract, but the counterpart marked Original Counterpart delivered to the Assignee shall be deemed to be the original counterpart and all other counterparts shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused

this instrument to be executed, as of the date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee as aforesaid,

by


Authorized Officer

[Seal]

Attest:


Authorized Officer

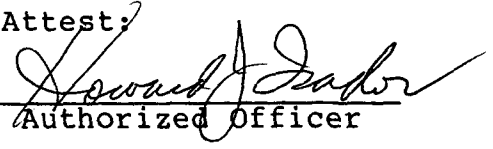
AMERICAN NATIONAL BANK & TRUST
COMPANY OF CHICAGO, not in its
individual capacity but solely
as Agent,

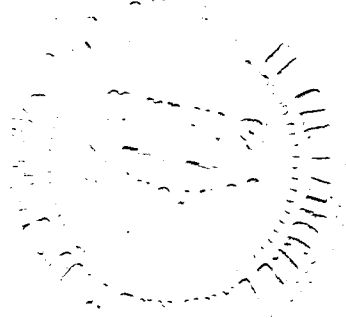
by


Authorized Officer

[Seal]

Attest:


Authorized Officer



STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 6 day of DECEMBER 1977, before me personally appeared PAUL GERINGER, to me personally known, who, being by me duly sworn, says that he is an authorized officer of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the seal of said national bank, that said instrument was signed and sealed on behalf of said national bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.



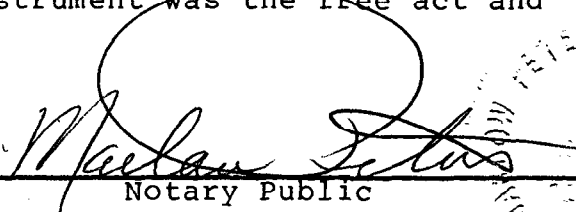
Notary Public

[Notarial Seal]

My Commission expires
April 27, 1978

STATE OF ILLINOIS,)
) SS.:
COUNTY OF COOK,)

On this 6th day of DECEMBER 1977, before me personally appeared HOWARD J. ISADOR, to me personally known, who, being by me duly sworn, says that he is an authorized officer of AMERICAN NATIONAL BANK & TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said national bank, that said instrument was signed and sealed on behalf of said national bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.



Notary Public

[Notarial Seal]

My Commission expires My commission expires March 17, 1981

CONSENT AND AGREEMENT

The undersigned, LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a corporation duly incorporated under the laws of the Commonwealth of Kentucky, the Lessee (hereinafter called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Lease Assignment), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages and other moneys (other than the payments provided for in §§ 6 and 9 of the Lease, except to the extent that the Lessor is obligated to reimburse the Vendor under Articles 6 and 13 of the Security Documentation and other than any payment provided for by reference to Paragraph 12 and the last paragraph of Paragraph 9 of the Participation Agreement) provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly to American National Bank & Trust Company of Chicago, not in its individual capacity but solely as Agent (hereinafter called the Vendor), the assignee named in the Lease Assignment, to be applied as provided in the Security Documentation, by wire transfer of Chicago Clearing House funds to the Vendor's address at 33 North La Salle Street, Chicago, Illinois 60690, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the undersigned by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the undersigned under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the undersigned, the taking or omission of which might result in an alteration or impairment of the Lease or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the Commonwealth of Kentucky and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

Dated as of SEP. 1 1977.

LOUISVILLE AND NASHVILLE RAILROAD
COMPANY,

by


Assistant Vice President

[Corporate Seal]

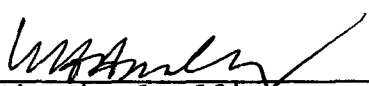
Attest:


Attesting Officer

The foregoing Consent and Agreement is hereby
accepted, as of the 1st day of September 1977.

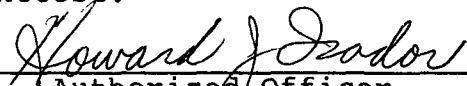
AMERICAN NATIONAL BANK & TRUST
COMPANY OF CHICAGO, not in its
individual capacity but solely
as Agent,

by


Authorized Officer

[Seal]

Attest:


Authorized Officer



COMMONWEALTH OF KENTUCKY,)
) ss.:
COUNTY OF JEFFERSON,)

On this 7th day of December 1977, before me personally appeared M.H. Stier, to me personally known, who, being by me duly sworn, says that he is Assistant Vice President of LOUISVILLE AND NASHVILLE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

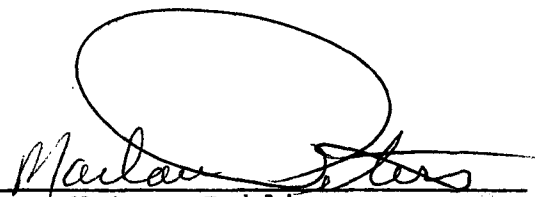
Sharon W. Boules
Notary Public

[Notarial Seal]

My Commission expires July 26, 1978

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 6th day of December 1977, before me personally appeared HOWARD J. ISADOR, to me personally known, who, being by me duly sworn, says that he is an authorized officer of AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the seal of said national bank, that said instrument was signed and sealed on behalf of said national bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national bank.



Notary Public

[Notarial Seal]

My Commission expires ~~My~~ commission expires March 17, 1981

